

# BUDGET USER'S GUIDE

## ***THE CITY OF BURBANK – A BRIEF OVERVIEW***

---

The City of Burbank is a unique urban community, located in the heart of Los Angeles County, and nestled between the Hollywood Hills and the Verdugo Mountains. The City is one of the three older Los Angeles suburbs that comprise the "Tri-cities" of Burbank, Glendale, and Pasadena. There are approximately 7,300 business firms and public agencies located within the City which provide about 99,000 full-time jobs. The City covers 17.16 square miles. As of January 1, 2012, Burbank's population is estimated to be 104,427 (as per the California Department of Finance), making it the 15th largest city in Los Angeles County.

Burbank is home to one of the strongest entertainment areas in the country, if not the world. Burbank's continued commitment to the entertainment industry and the area's rejuvenation is accomplished in conjunction with some of the most famous names in the entertainment world: Walt Disney Studios, Disney Channel, Warner Bros., NBC, ABC, Nickelodeon Animation, Dick Clark Productions and the Cartoon Network. The Bob Hope Airport, with major airlines offering scheduled daily flights, plays a prominent role in fulfilling the air transportation needs of Burbank's residents and businesses, as well as surrounding communities. Other businesses and industries with a strong presence in Burbank include: manufacturing, retail, wholesale, real estate, banking/finance, hospital/medical facilities, automotive, hotels, office buildings, and public utilities. The Burbank Town Center, a major regional shopping and business center, opened in 1991 and continues to play a major role in helping to rejuvenate the City's downtown. The addition of the Burbank Empire Center in 2001 and the opening of the Burbank Entertainment Village in 2003 further contributed to the City's growth as a major entertainment and retail attraction.

However, the real pride and joy of Burbank is its residential community. While tourists will notice the theaters, nightlife, restaurants, office buildings, and studio backlots, Burbank residents praise their tree lined neighborhoods, equestrian trails, well kept roads, high quality schools, innovative recycling programs, numerous parks and recreational facilities, outstanding police and fire services, and high levels of general governmental services.

## ***FORM OF GOVERNMENT***

---

The City of Burbank is a full service Charter City governed by the Council-Manager form of government. Residents elect the City Council members who in turn appoint the City Manager and City Attorney. The Council consists of five members and acts as the legislative body of the City. The City Council also serves as the governing bodies of the Burbank Housing Authority, Burbank Parking Authority, Youth Endowment Services (YES) Fund and Public Financing Authority. City Council members serve four-year terms with elections staggered every two years. The Mayor is chosen by the Council to serve as its presiding officer. Traditionally, the Mayor serves a one-year term. The City Treasurer and City Clerk are also elected at large for four-year terms.

Numerous advisory Boards, Commissions, and Committees assist the City Council in serving the Burbank community by identifying specific needs and problems within their realm of responsibility. Each Board, Commission, and Committee may also get involved in a wide range of activities from fund raising to reviewing City ordinances, to recommending major revisions to City programs. Each meets on a regular basis and each meeting is open to the public. The length of member terms and when they are appointed varies.

The City Manager, who is appointed by the City Council, acts as the chief administrative officer responsible for the day-to-day operations of the City. The City Manager appoints all non-elected and non-Council appointed department managers. Each department manager is responsible for the day-to-day operations of their department. Each department manager selects her/his division managers as well as various support staff members. The goals and objectives of each department and their divisions/programs are discussed at the beginning of each department's budget section.

The City Attorney is appointed by the City Council to be the legal advisor to the City Council, Housing Authority, Parking Authority, and all other City officials. The City Attorney appoints all the attorneys on her/his staff. The goals and objectives of the City Attorney's Office are discussed at the beginning of the City Attorney's budget section.

The City of Burbank has a long-time reputation of providing excellent levels of services to its residential and business communities. The Police and Fire Departments provide some of the highest police, fire, and paramedic service levels in all of Southern California. Burbank offers outstanding recreational, cultural, educational, and social programs. The Community Development Department is very active in meeting diverse planning, zoning, housing, transportation, and economic development needs. The Public Works Department provides high levels of building maintenance, street maintenance, equipment maintenance, construction engineering, traffic control, signal and lighting maintenance, water reclamation, sanitary sewer maintenance, refuse collection and disposal, and recycling services. Burbank Water & Power provides a wide range of electric and water services, at the lowest feasible cost, to its consumers.

## **BUDGET PROCESS**

### **BACKGROUND**

Section 1005 of the Burbank City Charter mandates and sets forth the legal requirements for the preparation and adoption of the City budget. The Financial Services Department - Budget Division, prepares an annual Budget Manual providing detailed instructions and assistance to each department with respect to the preparation of their particular department budgets.

Burbank uses a combined program and line item budget format. This is designed to provide for a comprehensive management control and fiscal planning system. This format is aimed at achieving goals and objectives at the operational levels that are consistent with the City Council's policies and annual Work Program. The budgeting process is generally an incremental one which starts with a historical base budget. Requests for changes in appropriations are made at the departmental level and are initially compiled and reviewed by the Budget Division. The Executive Team (made up of the City Manager, Deputy City Manager and department managers) then reviews all of the requests. The Executive Team, under the direction of the City Manager, ensures that all budget decisions are in full accordance with stated City Council policies and all applicable federal, state, and local laws and regulations.

### **PREPARATION OF THE BUDGET DOCUMENT**

Altogether, the budget preparation process takes approximately eight months. Departments begin preparing their budget requests and revenue estimates in January. During years when a recurring budget deficit is projected, departments will also prepare budget reduction scenarios based on a percentage of their discretionary budgets as determined by the City Manager. Budget Division staff meets on a regular basis with departmental representatives throughout the budget preparation process.

From January through March, the Budget Division and Executive Team carefully review, evaluate, and prioritize department reductions (when necessary) as well as each department's budget submissions for new and additional services, positions, capital outlay, and capital improvement projects. The overall picture of estimated revenues and proposed appropriations is also carefully studied. Moreover, remaining mindful of public safety and legal requirements; adhering to the City Council's financial policies; as well as providing the most efficient, effective and economical service levels possible are major considerations throughout the budget process.

The Executive Team makes a final review of department budget requests and reductions as necessary. As soon as the final details are worked out and approved by the City Manager, a Proposed Budget document is printed. The City Manager then presents the Proposed Budget to the City Council and the public for review during the first week of May. (Section 38 of the Charter requires that, "...on or before the first day of June, the City Manager shall prepare or have prepared, a proposed budget and submit it to the City Council with appropriate recommendations...").

Budget study sessions are held in May, culminating with a public hearing, which typically occurs in early June. The City Council may revise the City Manager's Proposed Budget as it deems necessary. A majority vote is required to adopt the final Budget. The budget is adopted prior to the beginning of the fiscal year on July 1.

### **BUDGET CALENDAR – SUMMARY**

The following calendar highlights some of the key deadlines used for FY 2012-13:

January 12      Budget Kick-Off Meeting

February 2	Position and Program requests, capital outlay, exception items and department reduction scenarios submitted
February 16	Department summary worksheets, revenue estimates, and Fee Schedule changes submitted
February 23	Capital Improvement Program items submitted
March 5	Executive Team review of General Fund balance, five-year financial forecast, budget reductions, position requests, capital outlay requests, and departmental exception items
May 2	Proposed Budget document distributed to Council, Executive Team, and budget representatives and made available for public review at several City locations and on the City's website
May 3	City Council study session to consider goals & priorities for upcoming fiscal year
May 8, 10, 15, 17, 22, 24	City Council study sessions highlight department budgets including revenue projections, fee changes, new positions, capital purchases, and budgetary reductions
June 5, 19	City Council holds public hearing on the Proposed Annual Budget
June 19	FY 2012-13 Budget Adoption
Late August	Dissemination of Adopted Budget

## **BUDGET IMPLEMENTATION AND BUDGET TRANSFERS**

Once the budget is adopted by the City Council, the responsibility of implementing each department's budget lies with each department manager, with ultimate responsibility resting with the City Manager. Department managers are expected to operate their departments within the appropriations established in the budget. Budget transfers or budget amendments should be the

exception rather than the rule and are discouraged. In certain cases, however, requests are considered where events have occurred which are unforeseen. In such cases, the City Manager may approve transfers within the same budget function. Transfers from unappropriated balances, another fund, or from another budget function must be approved by the City Council. (Further details with respect to budget transfers and amendments can be found in Administrative Procedure VIII-4.)

## **BUDGET ORGANIZATION**

As indicated in the Table of Contents, the City of Burbank's Budget document consists of several sections. A corresponding tab divides each section.

### **INTRODUCTORY SECTIONS**

**The City Manager's Budget Message to the City Council** outlines the key contents of the Budget. The fiscal health of all the fund types, as well as the City as a whole are also discussed.

**The Budget User's Guide** provides the reader with a brief overview and introduction to the City of Burbank as well as an explanation on how to understand, read, and use this Budget document.

**The Budget Summaries** section provides an easy to read overview of the City's expenditures/appropriations and various other financial matters.

**The Revenues Section** provides a more detailed overview of each fund's estimated revenue. It is important to note that the City's revenue estimates are fairly conservative and make assumptions based on actual experience and current knowledge of impending circumstances. Overall, the revenue estimates assume moderate and stable growth. Appropriations, in turn, are based on these assumed revenue increases.

### **DEPARTMENT BUDGET SECTIONS**

These sections represent the main body of the Budget document. They contain the following department budgets: City Council, City Clerk, City Treasurer, City Attorney, City Manager, Management Services, Information Technology, Financial Services, Park, Recreation and Community Services, Library Services, Community Development, Public Works, Fire, Police and Non-Departmental.

## SPECIAL REVENUE FUNDS SECTION

This section contains funds that provide “Special Revenue” activities. In most cases, these funds represent activities that are grant funded or provided for via specific user fees, charges, and taxes. These revenues are usually legally restricted to expenditures for specific purposes. Special Revenue Funds include: Propositions A and C—Transportation Funds (Fund 104 and 105), AQMD Fees—Transportation Fund (Fund 106), Measure R—Transportation Fund (Fund 107), General City Grant Fund (Fund 121), CDBG Fund (Fund 122), Drug Asset Forfeiture Fund (Fund 124), State Gas Tax Fund (Fund 125), Disaster Relief Fund (Fund 126), Public Improvement Development Impact Fees (Fund 127), HOME Program Fund (Fund 128), Street Lighting Fund (Fund 129), Youth Empowerment Services (YES) Fund (Fund 130), Tieton Hydropower Project (Fund 133), and, Magnolia Power Plant (MPP) Fund (Fund 483).

## INTERNAL SERVICE FUNDS SECTION

This section contains the City’s seven internal service funds: General Liability Insurance Fund (Fund 530), Workers Compensation Insurance Fund (Fund 531), Vehicle Equipment Maintenance and Replacement Fund (Fund 532), Office Equipment Maintenance and Replacement Fund (Fund 533), Municipal Buildings Maintenance Fund (Fund 534), Communications Equipment Maintenance and Replacement Fund (Fund 535), and, Computer Equipment Replacement Fund (Fund 537).

## BURBANK WATER & POWER SECTION

This section contains the Burbank Water & Power (BWP) Fund budget. There are two Enterprise Funds within this section: Electric Fund (Fund 496) and Water Fund (Fund 497)—responsible for managing the City’s electric and water utilities.

## ENTERPRISE FUNDS SECTION

This section contains the City’s three non-BWP Enterprise Funds: Water Reclamation and Sewer Fund (Fund 494), Golf Fund (Fund 495), and Refuse Collection and Disposal Fund (Fund 498).

## REDEVELOPMENT AGENCY SECTION

Most functions of the former Burbank Redevelopment Agency have been transferred to other funding sources since its dissolution on February 1, 2012. While there are no new

appropriations in this section for FY 2012-13, prior year expenditures and appropriations are included.

## SUCCESSOR AGENCY SECTION

As outlined in the Community Redevelopment Law, Successor agencies are given the authority to make payments on the former Redevelopment Agency enforceable obligations and wind-down the activities of the former Redevelopment Agency. The Successor Agency budget must be approved by a separate Oversight Board whose role is to determine which obligations are enforceable and must be paid out. Thus, this section is included within the City budget document for informational purposes only.

## HOUSING AUTHORITY SECTION

Housing Authority activities are administered by the Housing Division of the Community Development Department. Since the dissolution of the Redevelopment Agency, the Authority is entrusted with the former Redevelopment Agency’s affordable housing projects and the Low and Moderate Income Housing Fund. A separate budget section is prepared for the Housing Authority because it is separate from, and outside the control of, the City Council, although City Council Members also serve as Authority Board Members.

## PARKING AUTHORITY SECTION

The Public Works Department administers the Parking Authority’s activities. A separate budget section is prepared for the Parking Authority since its activities are overseen by the Burbank Parking Authority, which is separate from, and outside the control of, the City Council, although the City Council Members also serve as Authority Board Members.

## CONCLUDING SECTIONS

**Performance Measures**, organized by department, are provided as a tool to measure effectiveness and efficiencies of City operations.

**The Glossary of Budget Terms** is provided to better familiarize the reader with some of the budgetary and financial vocabulary found throughout the Budget document. The Glossary also contains descriptions of all City funds and fund types. Along with the budget terms and fund descriptions, a glossary of acronyms is included in this section as well.

**The Appendix** contains the following items to better inform the reader: 1) Community Profile and Historical Timeline; 2) A map of the City; 3) Facts About Burbank; 4) A list of the City's Boards, Commissions, and Committees; 5) A revenue / appropriation comparison with other cities, and 5) A list of individual departments' Professional Services Agreements.

**The Index** provides specific constituents with a quick and easy to use reference to their particular area(s) of interest. The Index references every City department, division/program, section, special activity, and notable item of interest.

### ***THE ACCOUNTING SYSTEM, BUDGETARY CONTROL, AND ADHERENCE TO THE CITY COUNCIL'S FINANCIAL POLICIES***

---

The City of Burbank's accounting records are maintained in full accordance with Generally Accepted Accounting Principles (GAAP), as established by the Government Accounting Standards Board (GASB). Government fund types (General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds), Agency funds, and expendable trust funds are maintained via a modified accrual basis of accounting. Proprietary fund types (Enterprise and Internal Service Funds) and non-expendable trust funds are maintained via an accrual accounting basis.

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General, Special Revenue (except for the Drug Asset Forfeiture), Debt Service and Capital Projects funds. The budgets are presented for reporting purposes, in accordance with GASB 54, on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. Under this method, revenues are recognized in the period they become measurable and available, while expenditures are recorded when incurred. Certain multi-year capital improvements and other projects are budgeted on a project – length basis.

Additionally, appropriations for the Drug Asset Forfeiture fund occur based on actual cash receipts and do not lapse at year end. A comparison of these budgets with current year expenditures will not be meaningful, due to the multi-year nature of these projects.

The degree of appropriated budgetary control is at the functional departmental level. The City

Manager or Financial Services Director may authorize transfers of appropriations within a department function. Expenditures may not legally exceed total departmental appropriations. Supplemental appropriations during the year must be approved by the City Council by a majority vote. Such amendments are typically effected by the adoption of a City Council resolution. These appropriations, representing amendments to the budget during the year, could be significant in relationship to the original budget as adopted. As part of the budgetary control, City staff reports to the City Council on a quarterly basis to inform it of the financial condition at the close of the quarter. Generally, the City Council is presented with proposed budget adjustments after mid-year financial reports are complete. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are re-appropriated in the next year's budget.

The City uses an "encumbrance system." Under this procedure, commitments such as purchase orders and contracts at year-end are recorded as reserved fund balance.

The City Council adopts budgets for the Enterprise and Internal Service funds. However, all proprietary fund types are accounted for on a cost of service (net income), or "capital maintenance" measurement basis. As a result, budget comparisons are impractical. Additionally, the City is not legally mandated to report the results of operations for these proprietary fund types on a budget comparison basis.

A carefully designed system of internal accounting and budgetary controls is used to ensure that revenues and expenditures/expenses are tracked and used as intended. These controls are designed to provide reasonable, but not necessarily absolute, assurance with respect to the reliability of financial and budgetary records for use in the preparation of financial statements as well as accountability for all City of Burbank assets. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits and that the evaluation of costs and benefits likely to be derived thereof require estimates and judgments by management. The system is reviewed as regularly as possible, and as required by law, by either internal audit staff and/or independent, certified public accountants.

In January 1996, the City Council unanimously approved a variety of revisions to the City's Financial Policies. These policies were originally adopted by the City Council in January 1990 as a means to ensure long-term fiscal stability. In most instances, the January 1996 revision fine-tuned, clarified, and/or strengthened the existing Financial Policies. Combined with the City Treasurer's formal Investment Policies, these Financial Policies serve as a solid foundation in guiding both elected officials and staff with respect to managing the City's resources. Continued adherence to these Financial Policies will help the City avoid operating practices which could have adverse financial consequences.

#### CITY COUNCIL FINANCIAL POLICIES

- I. Maintain a designated General Fund working capital reserve equivalent to 15% of the General Fund's operating budget and a designated emergency reserve equivalent to 5% of the General Fund's operating budget.
  - II. Maintain a balanced operating budget for all governmental funds with recurring revenues equal to or greater than recurring expenditures. Appropriations of available fund balance will only be permitted for "one-time" non-recurring expenditures.
  - III. Assume that normal revenue inflation and/or growth will go to pay normal inflation expenditures. In no event will normal expenditure increases be approved which exceed normal revenue inflation and/or growth. Any new or expanded programs will be required to identify new funding sources and/or offsetting reductions in expenditures in other programs.
  - IV. Require that all Enterprise Funds have revenues (customer charges, interest income, and all other income) sufficient to meet all cash operating expenses, depreciation expense, and prescribed cash reserve policies per financial policies as recommended for each enterprise activity. Additionally, each Enterprise Fund will maintain debt service coverage requirements set forth in any related bond covenants.
  - V. Require that each Internal Service Fund which includes vehicles, equipment, and building maintenance have revenues, (City user charges, interest income, and all other income) sufficient to meet all cash operating expenses and depreciation expenses. The related revenues should also be sufficient to maintain cash reserves which provide sufficient cash to replace vehicles and equipment in accordance with replacement policies.
  - VI. Maintain appropriate reserves in the Risk Management Self-Insurance Fund and the Workers' Compensation Self – Insurance Fund to meet statutory requirements and actuarially projected needs.
  - VII. Maintain a general operating reserve which will support operations for each Enterprise Fund during times of financial emergencies. The amount of the general operating reserves will be determined based on a risk assessment of each Enterprise Fund.
  - VIII. Maintain other Enterprise Fund reserves such as debt reduction and capital funding reserves, fleet replacement reserves, and general plant reserves (in addition to the general operating reserve and other reserves) as necessary and prudent for the operation of the specific Enterprise Fund. Such reserves will be reviewed as necessary during the annual budget process, or at least every two years.
  - IX. Maintain a long-range fiscal perspective through the use of an annual operating budget, a five-year capital improvement plan, and a five-year financial forecast.
  - X. Use long-term financing methods or cash accumulated in excess of policy requirements for major capital improvements and acquisitions. These improvements will be planned via the annual capital improvement plan process.
  - XI. Issue bonds or incur other terms of indebtedness only for appropriate purposes and only if the debt service does not affect the City's ability to meet future operating, capital and reserve requirements.
  - XII. Require each budget appropriation request to include a fiscal impact analysis.
  - XIII. Comply with all the requirements of "Generally Accepted Accounting Principles."
  - XIV. Strive to pay competitive market level compensation to our employees.
- Policy XI has provided adequate guidance to the City Council on the subject of debt issuance, and allows the City Council the ability to consider the need for debt within the context of the economic

situation and needs of the City at the time of issuance. However, it does not meet the strict standards of the GFOA with regard to debt issuance policy because it does not provide an absolute limitation on the uses of debt nor does it provide an absolute ceiling on the amount of debt incurred. This has not been an issue in the City of Burbank, as the City has been very judicious in its use of debt financing.

It must be stressed that the information presented in the Budget is not audited nor necessarily in full compliance with GAAP. The information presented in the Budget is designed to enhance management control and fiscal planning on a program-by-program basis and is not intended to directly correlate with the data presented in financial reports such as the Comprehensive Annual Financial Report, which is designed to provide a retrospective overview on a fund-by-fund basis.

#### **EMPLOYEE COMPENSATION/BENEFITS**

One of the City's financial policies is to "Strive to pay competitive market level compensation to our employees." Salary surveys with our comparison cities, (Anaheim, Glendale, Garden Grove, Huntington Beach, Inglewood, Long Beach, Pasadena, Riverside, San Bernardino, Santa Ana, Santa Monica, and Torrance) are made periodically to determine if Burbank employees' wages are at market levels. These surveys may be a part of multi-year labor agreements.

Each classification title within the City of Burbank has a corresponding salary range. As part of the budget preparation for salaries and benefits each year, range movement, if an employee is not at "top step," any approved cost of living adjustment (COLA) as per existing MOU's and merit pay are programmed. Employees within the BCEA, BMA or unrepresented group typically may receive merit pay at the time of their annual evaluation or "spot awards." However, the merit pay program has been suspended for all Burbank City employees since FY 2011-12 in an effort to help balance the budget.

**Retirement** – The City is a member of the California Public Employee Retirement System (CalPERS). These rates fall into three categories: Police Safety (3% @ 50), Fire Safety (3% @ 55) and Miscellaneous Members (2.5% @ 55). CalPERS has authorized alternative plans which an organization may bargain for. Employees in

the PERS system are not covered by Social Security.

The City continues to experience annual increases in pension costs as a result of prior investment losses and changes to future assumptions by CalPERS. Below are the actual PERS rates for the three employee classifications for last fiscal year (FY 2011-12), the current fiscal year (FY 2012-13) and the projected rates for the next fiscal year (FY 2013-14).

	FY 2011-12	FY 2012-13	Proj. FY 2013-14
Police Safety Group	28.214%	29.112%	30.950%
Fire Safety Group	19.313%	19.070%	20.950%
Miscellaneous Group	15.778%	16.334%	17.450%

**Flexible Benefits Plan** – The City provides a specific dollar amount to each employee based on the employee's bargaining unit, to use toward the purchase of health insurance, dental insurance, life insurance, and other related benefits. Employees who have insurance coverage provided by a spouse can receive any unused amount as taxable compensation. Two firms currently provide Section 457 deferred compensation benefits to employees: ICMA and PERS.

**Medicare** – All newly hired employees contribute a portion of gross salary for Medicare coverage as determined by Federal regulations.

**Section 125 Plan** – Employees may also sign up for Section 125 benefits related to medical reimbursement or child care reimbursement during an open enrollment period. An exception to this would be a change in the family, such as the birth of a child.

**Post-Retirement Medical Trust** – In FY 2002-03, a retiree medical trust was established to provide partial funding for post-retirement medical expenses. Employees with 5 years of service are eligible to receive the benefits at the age of 58. Currently, each City employee contributes monthly towards this program, which is matched by a monthly City contribution.

**Tuition Reimbursement** – The City supports the continued education of its employees and offers a program that is negotiated with each bargaining unit. Any reimbursement must have the employee's supervisor's approval prior to course enrollment, and the student must satisfactorily pass the course to receive a percentage reimbursement.

**Sick Leave** – Full-time employees receive eight hours of sick leave per month; for part-time employees this amount is pro-rated.

**Vacation** – Time is granted based on number of years of service to the City. For the most part, employees with less than five years earn two weeks vacation, from 5 – 15 years earn three weeks vacation, and employees working over 15 years earn four weeks vacation.

**Universal Leave** – The City has instituted a universal leave plan for executives, unrepresented managers and members of the BMA. Rather than granting time in separate categories, such as vacation and sick leave, these groups will accumulate universal leave time on a monthly basis which they can use for any type of absence from work.

---

### **COST ALLOCATION PLAN**

---

Every year, a cost allocation plan is prepared to identify the costs associated with providing certain services. These indirect charges reimburse the administration and overhead services provided by General Fund departments such as Financial Services, City Attorney and Information Technology. The full cost allocation plan delineates the basis of allocation by department and can include the total operating budget (excluding capital and debt), the number of full-time equivalent positions per department, specific number of requests or hours of service provided, or percentage estimates provided by departments.

The City uses a “Double Step Down” method which allocates service costs to all departments and then allocates service costs only to operating departments. The “Services of Other Departments-Indirect” account will be listed as a line item in the Enterprise Funds, Burbank Water & Power, Redevelopment Agency, Special Revenue Funds and Internal Service Funds budget sections.

---

### **PERFORMANCE MEASURES**

---

Included towards the end of the budget document are the departmental Performance Measures. Performance Measures are used by the City to assess how efficiently and effectively programs and activities are provided and, determine whether organizational goals are being met.

Burbank began including Performance Measures in the Budget in FY 2000-2001. In FY 2002-03, the departments spent a great deal of time revamping their current measures so that they are linked to both the City's Annual Budget and Work Program. These modifications allow the City's programs and services to be measured in such a way that the following may be ascertained: how well are our services being delivered; are planned accomplishments being met; are community problems being solved; and, are our residents/customers satisfied with the results. Since most of the measures have been in place for a significant amount of time, the actual data from prior years is reported and used as a gauge by which to project results for FY 2012-13.

---

### **SAMPLE BUDGET FORMAT**

---

This budget is formatted to create a reader friendly document, summarizing department, division and program expenditures while maintaining line item detail within each section.

Each division or program has a summary of total dollars and a corresponding line item detail page located within the department section. A Position Summary provides details as to budgeted positions over a three-year time frame.

The following page contains a sample budget format from the Organized Sports Program in the Recreation Services Division of the Park, Recreation & Community Services Department. This sample budget format includes:

- ① The heading identifies the division, program and/or section discussed. Underneath the heading is the cost center (PR32B in this example) designation in the Oracle financial system.
- ② This section provides a brief descriptive overview of the division/program/section's mission as well as a description of some of its major activities.
- ③ Objectives  
This section provides a list of some of the division/program's goals for the upcoming fiscal year, and is directly related to the City Council Work Program. While the budget for the fiscal year outlines what each department intends to do over the next twelve months, the Work Program acts as a tracking device



designed to monitor the progress toward attaining these goals and objectives.

④ Changes from Prior Year / Budget Highlights

This section describes some of the major appropriations for FY 2012-13 and a discussion of changes from the prior year, explaining the variances by expenditure, if any, which are projected to occur during the next fiscal year.

⑤ Division/Section/Program Summary

This section identifies the division/program's total Staff Years, Salaries and Benefits, Materials, Supplies, and Services, and may include Capital Outlay, Capital Improvements and Contributions to Other Funds. Totals for the actual 2010-11 FY, the 2011-12 FY Budget, the 2012-13 FY Budget, and the change from the 2011-12 FY budget are also provided in this section. A separate page lists specific line item details for each program.

## SAMPLE BUDGET FORMAT

### Recreation Services Division

#### Organized Sports Program

①

001PR32B

②

The Organized Sports Program provides youth and adult sports programs, including volleyball, basketball, softball, baseball, and flag football. Additional programs include training coaches and parents of youth teams, game officials, and scorekeepers. This section also provides seasonal sports camps and several major citywide special events.

#### OBJECTIVES

③

- Coordinate and conduct a comprehensive year-round offering of youth sports programs and leagues for approximately 300 teams with over 4,200 participants.
- Recruit, train, and certify 100 game officials and 150 scorekeepers for utilization in the City's organized sports leagues.
- Develop and conduct training program for over 1,000 volunteer coaches working with youth teams.
- Develop and conduct sportsmanship training programs for over 3,500 parents of youth sports participants.

#### BUDGET HIGHLIGHTS

④

Funding in the amount of \$8,000 was requested to facilitate various capital improvements to the Foy Park Roller Hockey Facility in accordance with the City's agreement with the operator.

⑤

#### PROGRAM SUMMARY

	EXPENDITURES 2010-11	BUDGET 2011-12	BUDGET 2012-13	CHANGE FROM PRIOR YEAR
<b>Staff Years</b>	12.567	12.318	12.389	0.071
<b>Salaries &amp; Benefits</b>	\$ 904,468	\$ 889,049	\$ 894,467	\$ 5,418
<b>Materials, Supplies, Services</b>	32,753	38,396	37,974	(422)
<b>Capital Improvements</b>	20,595		8,000	8,000
<b>TOTAL</b>	<u>\$ 957,816</u>	<u>\$ 927,445</u>	<u>\$ 940,441</u>	<u>\$ 12,996</u>

## **OTHER USEFUL INFORMATION SOURCES AND FINANCIAL & BUDGET REPORTS**

### **ORACLE FINANCIAL SYSTEM**

The City of Burbank converted to the Oracle financial system in April 1999. All financial data can be viewed in the various modules as part of the software package. General Ledger balances can also be accessed through the Oracle system. In January 2008, the City converted its payroll/human resources system to Oracle also. This conversion facilitated the City's converting to a bi-weekly payroll system and moving off of the more awkward semi-monthly system.

### **CITY COUNCIL WORK PROGRAM & BUDGET IN BRIEF**

The Budget attempts to tie into each department's Work Program. Each department prepares Work Program reports at least once a year to provide the City Council and public with progress reports on its activities. The goals and objectives stated in the Budget are to be derived from those stated in the Work Program reports. When used in conjunction with the Budget, Work Program reports help provide a more comprehensive and thorough measure of budget performance.

At the beginning of each fiscal year, a separate Work Program and Budget In Brief document is prepared. The first half of the document contains each department's Work Program (goals and objectives) for the upcoming year. The second half of the document contains a user-friendly summary of the adopted Annual Budget.

### **BUDGET AT A GLANCE**

The Financial Services Department publishes a "Budget-at-a-Glance" brochure which provides a summary of the City's adopted revenues and appropriations, key City data, and Council goals. This brochure was awarded the "Excellence in Public Communications" award from the California Society of Municipal Finance Officers (CSMFO) for the last three fiscal years. A similar brochure is also available for the Proposed Budget each year in May.

### **COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)**

The CAFR is a detailed report that covers the financial statements for the City prepared in

accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report, pursuant to GASB 54, includes an introductory section, the Independent Auditors' Report, and the Management's Discussion and Analysis (MD&A), which offers readers a narrative description as well as an analysis of the financial activity of the City for the fiscal year ended. The report continues with the government wide statements, fund financial statements, and notes to the financial statements. Beginning in the 2010-2011 FY, the City incorporated GASB 54, which modifies the fund balance categories. Statements for major funds are presented in the report, followed by all non-major fund activity, internal service funds and the statistical section.

### **WATER AND ELECTRIC FUND FINANCIAL STATEMENT**

This report is similar to the CAFR. However, it contains audited balance sheets, related statements of operations and retained earnings, and changes in financial position for only the Water and Electric Enterprise Funds.

### **CITYWIDE FEE SCHEDULE**

The Citywide Fee Schedule provides a list of fees charged by the City for services provided to Burbank residents and businesses. A description of each type of fee and the dollar amounts are provided, as well as information detailing when the fee was last updated. The Fee Schedule is submitted to the City Council for approval as part of the annual public hearing and Budget adoption in June, and is published subsequent to its adoption. Any changes in fees adopted as part of the Fee Schedule go into effect on July 1.

Occasionally, the need to change a fee may take place prior to the annual budget adoption process. Departments may then submit a report to the City Council delineating the need for the fee revision, thereby amending the annual "Fee Resolution." In such cases, the amendment would be effective during the fiscal year and would be incorporated into the annual Fee Schedule.

### **CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET**

The Capital Improvement Program (CIP) Budget is submitted to the City Council as a separate

budget document in order to provide more detailed descriptions of capital improvement projects scheduled to take place over the next five years. A CIP project is defined as an addition or improvement to the City's infrastructure or public facilities. The Budget Division coordinates CIP preparation, including review of fund cash flows to insure adequate funding over the project life. The City's Infrastructure Subcommittee, which is comprised of two City Council Members and key staff from several key departments, evaluates and prioritizes all project requests in accordance with the City's infrastructure plan. CIP budget preparation deadlines and publication dates parallel the prescribed dates of the operating budget.

Funds that have designated capital improvement projects have dollar amounts summarized within this document. Many projects span multiple fiscal years and have multiple funding sources including grant funding, bond proceeds, internal service funds, and enterprise funds. Departments must submit a separate CIP project worksheet for each project to be undertaken. Special attention is paid to projects requiring General Fund dollars which typically reflect previously identified Council goals.

The CIP document is designed to give a readily understandable overview of the multi-year projects to which the City Council has made a long-term commitment. Due to multiple funding sources in many instances, capital improvement projects are presented in the following categories:

- Community Facilities
- Housing & Economic Development
- Municipal Facilities
- Park and Recreation
- Pedestrian Access & Roadway
- Refuse Collection & Disposal
- Transportation
- Wastewater
- BWP Electric Utility
- BWP Street Lighting
- BWP Magnolia Power Plant
- BWP Water Utility

Each project information sheet provides the project name, coordinating department, account number, priority level, description and justification, project status update, forecasted completion date, on-going operating and maintenance impact, project manager, and the FY 2012-13 adopted appropriation amount. Additionally, each sheet outlines the prior years' appropriations, proposed

five-year project financing (which delineates funding sources and expenditure accounts and their respective dollar amounts per fiscal year), and projects future-year financing for projects anticipated to require more than five years for completion.

---

### **FOR MORE INFORMATION**

---

The Budget-at-a-Glance brochure, along with reference copies of the Adopted Budget, CIP and Fee Schedule, are available at City Hall, the Financial Services public counter, at each of the City's three libraries, and on the City's website at [www.BurbankUSA.com](http://www.BurbankUSA.com). Questions may be referred to the Financial Services-Budget Office at (818) 238-5500 or the City's website.

RESOLUTION NO. 28,538

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
BURBANK ADOPTING THE BUDGET FOR FISCAL  
YEAR 2012-2013, AND MAKING APPROPRIATIONS  
FOR AMOUNTS BUDGETED.

THE COUNCIL OF THE CITY OF BURBANK FINDS:

A. A proposed budget for the City of Burbank for the Fiscal Year commencing July 1, 2012, and ending June 30, 2013, was submitted to the Council, as required by Section 1005 of the City Charter and is on file in the City Clerk's Office.

B. Proceedings for the adoption of said budget have been duly taken.

C. The Council has made certain revisions, corrections, and modifications to said proposed budget, as in this resolution provided.

THE COUNCIL OF THE CITY OF BURBANK RESOLVES:

1. The proposed budget as herein amended is adopted as the budget of the City of Burbank for the Fiscal Year commencing July 1, 2012 and ending June 30, 2013.

2. There is hereby appropriated from the General Fund Undesignated Fund Balance Account the amount of \$1,000,000 to fund the annual appropriation for infrastructure reserve fund.

3. The Financial Services Director is authorized to use incremental wholesale electrical power sales revenue to offset associated incremental wholesale power purchase costs exceeding those provided for in this budget.

4. To meet the year's receipts shown as coming from revenues of the Burbank Water and Power Department, an amount not to exceed two percent (2.0%) of the gross sales of electricity by said Department, exclusive of wholesale sales of electricity to other public or privately-owned utilities, shall be deposited or transferred to the Street Lighting Fund to pay bills incurred by the City for lighting its public streets and five percent (5.0%) of the gross sales of electricity and water by said Department, exclusive of wholesale sales to other public or privately-owned utilities, shall be deposited or transferred to the General Fund in-lieu of taxes.

5. The Financial Services Director is authorized to replenish the Emergency Reserve account by an amount to make the balance equal five percent (5.0%) of the Fiscal Year 2012-2013 budget from projected surplus in the General Fund.



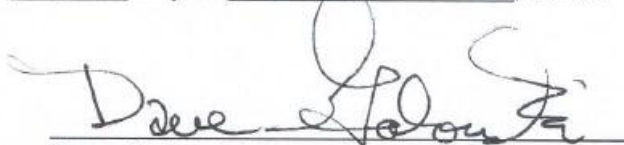
6. The Financial Services Director is authorized to appropriate an amount to make the balance equal fifteen percent (15.0%) of the Fiscal Year 2012-2013 budget from the projected General Fund surplus for increasing the working capital reserves.

7. The City Manager is authorized and empowered to expend such sums for the purpose of such accounts, but no expenditure by any office or department for any item within a cost center shall exceed the amount budgeted therefor without the prior written consent of the City Manager.

8. The City of Burbank has adopted Financial Accounting Standards Board (FASB) Statement No. 71 - Accounting for the Effects of Certain Types of Regulation, as applied to certain enterprise fund revenues.

9. The Financial Services Director is authorized to make such other revisions, individual appropriation line-items, changes in summaries, fund totals, grand totals, and other portions of the budget document as necessary to reflect and implement the programs specified in this resolution, and in full accordance to the direction provided by the Council up until the adoption of this resolution.


PASSED AND ADOPTED this 19th day of June, 2012.

  
Dave Golonski  
Mayor of the City of Burbank

Attest:

  
Susan M. Domen, CMC, Deputy City Clerk

Approved as to Form  
Office of the City Attorney

  
By: Terry Stevenson  
Senior Assistant City Attorney

STATE OF CALIFORNIA       )  
COUNTY OF LOS ANGELES    )  
CITY OF BURBANK            )     SS.

I, Susan M. Domen, CMC, Deputy City Clerk of the City of Burbank, do hereby certify that the foregoing Resolution was duly and regularly passed and adopted by a majority vote of the Council of the City of Burbank at its regular meeting held on the 19th day of June, 2012, by the following vote:

AYES:     **Council Members Bric, Gabel-Luddy and Golonski.**

NOES:     **Council Member Gordon.**

ABSENT: **Council Member Talamantes.**

  
\_\_\_\_\_  
Susan M. Domen, CMC, Deputy City Clerk